Bellingham, Washington

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GPT/Custer Spur EIS Agency Co-leads
Via electronic transmission: comments@eisgatewaypacificwa.gov

Subject: GPT Comment: Purpose and Need

The terminal proponents insist on referring to GPT as a “multi-modal” terminal for various commodities. The Project Information Document states that the coal terminal would be built in Stage 1 and a second, other commodities terminal – initially shipping Canadian potash and calcined coke (a byproduct of BP Cherry Point operations) – would be built in Stage 2, after at least ten years, if market conditions warrant.

SSA Marine, through its subsidiary Pacific International Terminals (PIT), started the permitting process for the other commodities terminal in 1992, obtained permits to build it from Whatcom County in 1997, reached settlement after an appeal of the EIS for that terminal in 1999, and took no action to obtain other permits or a shoreline lease to actually construct that terminal, probably because it was not economically viable.

Today’s EIS must not simply reiterate the proponent’s stated purpose and needs for the currently-proposed terminal, because SSA Marine and its spokesmen have been so disingenuous about the nature of that which they are proposing depending on who their audience is. They have described GPT, variously, as a conduit for Washington products when addressing state and local politicians, and for U.S. grain when lobbying support from federal and other state officials.

The reality is that PIT proposes to build the currently-proposed terminal because the enormous profits associated with coal justify the construction costs. Ostensibly, once the pier were built and “paid for” by coal, it would be a simple enough matter to add other commodities and, when the coal market evaporates, use the coal terminal for other commodities.

The EIS should measure the cost of converting the Stage One terminal from coal to any other commodity, including but not limited to determining the cost to remove the 80-acre coal patio, water quality basins and accumulated sediment, etc., if necessary. If they would not be removed, the EIS should discuss under what scenarios that would occur.

The EIS should also determine if the terminal is financially viable to operate without coal. PIT claims in Stage Two it would export Canadian potash and BP’s calcined coke by-product. The coke is literally a stone’s throw away, at BP Cherry Point. The Canadian potash would presumably be shipped through GPT if Asian demand exceeded Canadian export capacity. GPT, being the nearest terminal in North America, would be the next most geographically convenient terminal, but how likely is it those two conditions – foreign demand and lack of capacity at Canadian ports – will occur?

In the absence of coal, and if there is no need to export Canadian potash from a U.S. terminal or not enough demand to export in quantities through GPT to financially justify terminal operations, what other commodities could be shipped through GPT? The Project Information Document mentions wood chips, sulfur, and wheat. The reality is there is no significant excess capacity of wheat being grown in the western U.S. to increase exports, and it would take years to “ramp up” production. Is it viable that the terminal can and would convert to grain after a massive expansion of crops designated for export product? Is it feasible the U.S. could ever increase wheat production to have enough excess capacity to export tens of millions of tons per year given weather patterns (droughts, floods, etc.) and the political backlash that would result from a major expansion of growing GMO wheat? Absent wheat, is there a need for additional port capacity to export enough wood chips and sulfur to justify GPT’s existence?

Also, because the proponents and politicians describe GPT as a vehicle for the export of Washington products, the EIS should describe with specificity what those products are and why GPT is necessary and economically viable for their export. Longview can export huge quantities of grain. Agricultural and other products can be shipped more cheaply on the Columbia River because of the differential between shipping costs associated with barges versus trains. The EIS must identify the Washington producers which would benefit from an additional port with the capability of berthing cape class vessels.

Finally, the EIS must determine if GPT is competitive enough to attract commodities other than coal, coke, and Canadian potash. Vancouver to the north and Seattle, Tacoma, Longview, and Portland to the south are but some of the existing ports with thriving terminals and longstanding relationships with exporters. Could GPT win enough contracts, in competition with existing ports, to financially justify its operation?

Thank you for your attention. In an excess of caution, I am also submitting this comment by e-mail so that I will have a record.

Terry Wechsler